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July 20, 2018

VIA ELECTRONIC FILING

The Honorable Jocelyn Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, SC 29210

Re: Joint Application and Petition of South Carolina Electric & Gas Company and Dominion Energy, Inc. for review and approval of a proposed business combination between SCANA Corporation and Dominion Energy, Inc., as may be required, and for a prudency determination regarding the abandonment of the V.C. Summer Units 2 & 3 Project and associated merger benefits and cost recovery plans; Docket No. 2017-370-E

Dear Ms. Boyd:

Enclosed for filing, on behalf of South Carolina Electric & Gas Company and Dominion Energy, Inc., is a Response to the Petition for Rehearing and Reconsideration of Transcontinental Gas Pipeline Company, LLC ("Transco").

By copy of this letter, we are serving counsel for Transco with a copy of the enclosed documents. In addition, this information is being provided to all parties of record via electronic service pursuant to the Agreement for Electronic Service filed in the above-referenced docket.

If you have any questions, please advise.

Very truly yours,

Matthew W. Gissendanner

MWG/kms
Enclosure

cc: Jefferson D. Griffith, III, Esquire
(via electronic mail and U.S. First Class Mail w/enclosure)
All parties of record
(via electronic mail only w/enclosure)

THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

DOCKET NO. 2017-370-E

IN RE: Joint Application and Petition of South)	
Carolina Electric & Gas Company and)	
Dominion Energy, Incorporated for)	SCE&G AND DOMINION
Review and Approval of a Proposed)	ENERGY'S RESPONSE TO
Business Combination between SCANA)	TRANSCONTINENTAL
Corporation and Dominion Energy,)	GAS PIPE LINE
Incorporated, as May Be Required, and)	COMPANY, LLC'S
for a Prudency Determination)	PETITION FOR
Regarding the Abandonment of the V.C.)	REHEARING AND/OR
Summer Units 2 & 3 Project and)	RECONSIDERATION
Associated Customer Benefits and Cost)	
Recovery Plans)	

South Carolina Electric & Gas Company ("SCE&G" or the "Company") and Dominion Energy, Inc. ("Dominion Energy") hereby respond to the Petition for Rehearing and/or Reconsideration ("Petition for Reconsideration") filed by Transcontinental Gas Pipe Line Company, LLC ("Transco"), in which Transco requests that the Public Service Commission of South Carolina ("Commission") reconsider its findings and decision set forth in Order No. 2018-463, dated July 6, 2018, denying Transco's Petitions to Intervene filed on May 7 and May 17, 2018 ("Petition to Intervene").¹ SCE&G and Dominion Energy submit that Transco's contentions are without merit and that the Petition for Reconsideration should be denied for the following reasons:

¹ On May 7, 2018, Transco filed its first Petition to Intervene (Out of Time) ("First Petition") in which it sought permission to intervene out of time and be made a party of record in the above-referenced Docket. For reasons never explained, Transco filed a second Petition to Intervene (Out of Time) ("Second Petition") on May 17, 2018, which largely restated the same grounds upon which it sought to intervene that it previously articulated in the First Petition.

STANDARD OF REVIEW

The purpose of a petition for rehearing and reconsideration is to allow the Commission to identify and correct specific errors and omissions in its orders. Pursuant to S.C. Code Ann. § 58-27-2310, "[n]o right of appeal accrues to vacate or set aside, either in whole or in part, an order of the commission...unless a petition to the commission for a rehearing is filed and refused...." Additionally, a party cannot raise issues in a motion to reconsider that were not raised during the proceeding. *See Kiawah Prop. Owners Group v. Pub. Serv. Comm'n*, 359 S.C. 105, 113, 597 S.E.2d 145, 149 (2004); *Hickman v. Rickman*, 301 S.C. 455, 456, 392 S.E.2d 481, 482 (Ct. App. 1990); *Patterson v. Reid*, 318 S.C. 183, 185, 456 S.E.2d 436, 437 (Ct. App. 1995).

Under the operative Commission regulation, 10 S.C. Code Ann. Reg. § 103-825 A.(4):

A Petition for Rehearing or Reconsideration shall set forth clearly and concisely:

- (a) The factual and legal issues forming the basis for the petition;
- (b) The alleged error or errors in the Commission order;
- (c) The statutory provision or other authority upon which the petition is based.

Conclusory statements that amount to general and non-specific allegations of error do not satisfy the requirements of the rule. *See In re S.C. Pipeline Co.*, Docket No. 2003-6-G, Order No. 2003-641 at 6 ("[A] conclusory statement based upon speculation and conjecture is no evidence at all and is legally insufficient to support a [petition for reconsideration]."). While the requirement of specificity in post-trial motions is interpreted with flexibility, at minimum the decision-making body "must

be able to both comprehend the motion and deal with it fairly.” *See Camp v. Camp*, 386 S.C. 571, 575, 689 S.E.2d 634, 636 (2010).

ARGUMENT

Transco’s Petition for Reconsideration alleges that “the Commission overlooked and misapprehended the law with regard to standing, Commission jurisdiction, and the public interest of SCE&G’s customers.” Pet. at 1. Primarily, Transco attempts to advance issues that have not been raised previously. It further attempts to reassert its repeated and unsubstantiated claims that Transco’s contractual relationships with SCE&G and Dominion Energy somehow may be impacted by the proposed business combination at issue in this proceeding. However, the Petition for Reconsideration does not raise any issues of law or fact that were omitted from consideration or misconstrued. To the contrary, Order No. 2018-463 reflects that the Commission properly analyzed and applied the law and facts at issue in this matter.

A. Transco’s Claims Regarding Duplicative Infrastructure

In the Petition for Reconsideration, Transco makes the specious claim that “after the business combination, Dominion will spend millions of dollars, which Dominion will then recover from the ratepayers of South Carolina ... that Transco already has in place and in operation.” As an initial matter, Transco failed to raise this issue in any of its prior pleadings. Therefore, Transco has not preserved this issue for review and may not now raise it for the first time in a petition for rehearing or reconsideration. *See Kiawah Prop. Owners Group v. Pub. Serv. Comm’n*, 359 S.C. at

113, 597 S.E.2d at 149 (finding an issue raised to the Commission for the first time in a petition for rehearing was not preserved).

Nevertheless, Transco's untimely assertion is without any support. Transco points to no facts or other evidence that suggests, much less demonstrates, Dominion Energy "intends to install duplicative infrastructure and pipeline to serve the ratepayers of South Carolina at great monetary expense to the ratepayers of South Carolina." Pet. at 1. Even so, none of the issues raised in this proceeding relate in any way to the purported plans of Dominion Energy or its subsidiaries to expand their interstate natural gas pipeline presence in South Carolina. Moreover, any issues relating to the construction and operation of interstate natural gas pipelines and the transportation and sale of natural gas in interstate commerce would be subject to the exclusive jurisdiction of FERC. *See* 15 U.S.C. § 717; SCE&G Letter in Response to Order No. 2018-400 (June 20, 2018); *infra* p. 6.

Instead, and as with all its assertions regarding this matter, Transco's protestations regarding potential future actions do not demonstrate that it is likely to suffer some "actual or imminent harm" if the proposed business combination between SCANA Corporation and Dominion Energy is approved. Rather, Transco "merely fear[s] the prospect of future harm," but its generalized assertions of prospective concerns "fall[] far short of the standard of 'concrete and particularized and ... actual or imminent' harm" *Beaufort Realty Co. v. Beaufort Cty.*, 346 S.C. 298, 303, 551 S.E.2d 588, 590 (Ct. App. 2001) citing *Lujan v. Defenders off Wildlife*, 504 U.S. 555, 560 (1992); *see also Duke Power Co. v. S.C. Pub. Serv. Comm'n.*, 284 S.C.

81, 326 S.E.2d 395 (1985) (holding that ratepayers' mere allegation that future rates may be impacted by present actions was insufficient to confer standing); *ATC South, Inc. v. Charleston Cnty.*, 380 S.C. 191, 198, 669 S.E.2d 337, 340 (2008) (holding that where "the potential injury or prejudice is only an increase in business competition, such injury or prejudice is insufficient to confer standing" and that "a competitor challenging legislative or executive action solely to protect its own economic interests lacks standing").

For these reasons, Transco's newly asserted and entirely unsubstantiated claims have not been preserved, are without merit, and do not demonstrate any error in law or fact by the Commission in denying the Petition for Reconsideration.

B. Transco's Natural Gas Contracts

The remaining issues presented by Transco all amount to a restatement of its claims regarding its contracts to provide interstate natural gas services. For example, Transco asserts that the "contracts have been potentially put into jeopardy by the Commission's ruling on the merger." Pet. at 3. Transco also asserts that "[t]he Commission overlooked and misapprehended the contractual impact that the business combination between SCANA and Dominion would have on the existing contracts between SCE&G and Transco." *Id.* at 4. Finally, Transco appears to suggest that the business combination could affect "numerous contracts of varying types to provide natural gas to those customers that are sited on those transmission lines or laterals built to serve customers." *Id.* at 5.

As the Commission properly held, however, “the transportation and sale of natural gas in interstate commerce ... is under the jurisdiction of [FERC.]” Order No. 2018-463. *See Schneidewind v. ANR Pipeline Co.*, 485 U.S. 293, 300–01 (1988) (“The [Natural Gas Act of 1938, 15 U.S.C. § 717 *et seq.* (“Natural Gas Act”)] confers upon FERC exclusive jurisdiction over the transportation and sale of natural gas in interstate commerce for resale.”); *N. Nat. Gas Co. v. State Corp. Comm’n of Kan.*, 372 U.S. 84, 91 (1963) (“The Natural Gas Act precludes ... direct regulation by the States of such contractual matters” and provides “a comprehensive scheme of federal regulation of all wholesales of natural gas in interstate commerce”) (internal quotations omitted). Because the Natural Gas Act preempts any state regulation of these matters, the Commission has no jurisdiction over and cannot redress any alleged adverse effects on Transco’s contracts for interstate natural gas transportation, storage, and wholesale purchases or sales.

Furthermore, and as explained in Paragraph 22 of the Joint Petition filed in this matter, if the proposed business combination between SCANA Corporation and Dominion Energy is approved, “SCE&G will remain a direct, wholly-owned subsidiary of SCANA and will continue to exist as a separate legal entity.” Therefore, SCE&G will continue to have the same contractual rights, responsibilities, duties, and obligations as those that exist at the time the proposed business combination is closed. For this reason, Transco’s current contracts will be unaffected by and it will suffer no injury as a result of the current proceeding.

Consequently, Transco's assertions regarding the alleged effects of this proceeding on its contractual relationships does not demonstrate any error or omission in the Commission's Order denying its Petition to Intervene. Rather, the Commission properly determined that the grounds for Transco's purported intervention were not within the Commission's jurisdiction and that Transco failed to make the requisite showing that it has standing to intervene in this matter.

CONCLUSION

For the foregoing reasons, the Commission properly considered the issues presented regarding Transco's Petition to Intervene, and the Petition for Reconsideration does not present sufficient grounds to modify, amend, or rehear the matter decided in Order No. 2018-463. Accordingly, the Commission should deny the Petition for Reconsideration.

[SIGNATURE PAGES FOLLOW]

Respectfully submitted,



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Date: July 20, 2018



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July 20, 2018